



OFFICE OF LIEUTENANT GOVERNOR  
PERIOD JULY 1, 2000 TO NOVEMBER 15, 2000  
AND THE TWO YEARS ENDED JUNE 30, 2000

**From The Office Of State Auditor  
Claire McCaskill**

Report No. 2001-14  
March 2, 2001  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

March 2001

[www.auditor.state.mo.us](http://www.auditor.state.mo.us)

On January 11, 1993, Roger B. Wilson was inaugurated as the forty-fourth Lieutenant Governor of the state of Missouri. He was re-elected Lieutenant Governor in November 1996, and served in this role until October 18, 2000, when he was sworn in as Missouri's fifty-second Governor. His term as Lieutenant Governor was to expire January 2001. Governor Wilson appointed Joe Maxwell as Lieutenant Governor and he was sworn in on November 15, 2000.

The following report of the Office of the Lieutenant Governor reflects audited financial statements dating from July 1, 1998 until the appointment of Lieutenant Governor Maxwell, which occurred on November 15, 2000.

YELLOW SHEET

OFFICE OF LIEUTENANT GOVERNOR

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## FINANCIAL SECTION

## State Auditor's Reports



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON  
THE FINANCIAL STATEMENTS**

Honorable Roger B. Wilson  
and  
Honorable Joe Maxwell, Lieutenant Governor  
Jefferson City, MO 65101

We have audited the accompanying special-purpose financial statements of the General Revenue Fund-State of the Office of Lieutenant Governor for the period July 1, 2000 to November 15, 2000, and the years ended June 30, 2000 and 1999, as identified in the table of contents. These special-purpose financial statements are the responsibility of the office's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the appropriations and expenditures of the General Revenue Fund-State of the Office of Lieutenant Governor and are not intended to be a complete presentation of the financial position and results of operations of the General Revenue Fund-State of the office.

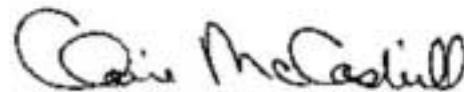
In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the appropriations and expenditures of the General Revenue Fund-State of the Office of Lieutenant Governor for the period July 1, 2000 to November 15, 2000, and the years ended June 30, 2000 and 1999, in conformity with the

comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated January 12, 2001, on our consideration of the office's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the special-purpose financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.



Claire McCaskill  
State Auditor

January 12, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Peggy Schler, CPA
In-Charge Auditor:	Cheryl L. Colter, CPA
Audit Staff:	George Atkinson



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Roger B. Wilson  
and  
Honorable Joe Maxwell, Lieutenant Governor  
Jefferson City, MO 65101

We have audited the special-purpose financial statements of the Office of Lieutenant Governor for the period July 1, 2000 to November 15, 2000, and the years ended June 30, 2000 and 1999, and have issued our report thereon dated January 12, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Office of Lieutenant Governor are free of material misstatement, we performed tests of the office's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

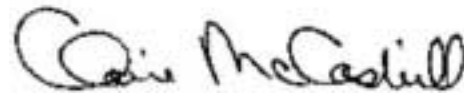
Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Office of Lieutenant Governor, we considered the office's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one



or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the Office of Lieutenant Governor and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
State Auditor

January 12, 2001 (fieldwork completion date)

## Financial Statements

Exhibit A-1

OFFICE OF LIEUTENANT GOVERNOR  
STATEMENT OF APPROPRIATIONS AND EXPENDITURES  
PERIOD JULY 1, 2000 TO NOVEMBER 15, 2000

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Uncommitted Appropriations</u>
GENERAL REVENUE FUND-STATE			
Lieutenant Governor	\$ 417,897	109,735	308,162
Total General Revenue Fund-State	<u>\$ 417,897</u>	<u>109,735</u>	<u>308,162</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

OFFICE OF LIEUTENANT GOVERNOR  
STATEMENT OF APPROPRIATIONS AND EXPENDITURES  
YEAR ENDED JUNE 30, 2000

		<u>Appropriations</u>	<u>Expenditures</u>	<u>Lapsed Balances</u>
GENERAL REVENUE FUND-STATE				
Personal service and/or expense and equipment	\$	329,707	254,662	75,045
Salary of the Lieutenant Governor		75,915	75,915	0
Total General Revenue Fund-State	\$	<u>405,622</u>	<u>330,577</u>	<u>75,045</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-3

OFFICE OF LIEUTENANT GOVERNOR  
STATEMENT OF APPROPRIATIONS AND EXPENDITURES  
YEAR ENDED JUNE 30, 1999

		Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND-STATE				
Personal service and/or expense and equipment	\$	386,056	300,513	85,543
Total General Revenue Fund - State	\$	386,056	300,513	85,543

The accompanying Notes to the Financial Statements are an integral part of this statement.

## Supplementary Data

Schedule

OFFICE OF LIEUTENANT GOVERNOR  
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

	Office Equipment	Office Furniture	Total
Balance, July 1, 1998	\$ 100,961	11,295	112,256
Additions	5,402	81	5,483
Dispositions	(2,635)	0	(2,635)
Balance, June 30, 1999	103,728	11,376	115,104
Additions	1,884	370	2,254
Dispositions	(5,782)	(268)	(6,050)
Balance, June 30, 2000	99,830	11,478	111,308
Additions	346	690	1,036
Dispositions	(680)	(81)	(761)
Balance, November 15, 2000	\$ 99,496	12,087	111,583

The accompanying Note to the Supplementary Data is an integral part of this statement.

## Notes to the Financial Statements and Supplementary Data



OFFICE OF LIEUTENANT GOVERNOR  
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the General Revenue Fund-State of the Office of Lieutenant Governor.

Appropriations, presented in the Exhibits, are not separate accounting entities. They do not record the assets, liabilities, and equities of the related funds but are used only to account for and control the office's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the office and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The Statements of Appropriations and Expenditures, Exhibit A, are presented on the state's legal budgetary basis of accounting which recognizes expenditures on the encumbrance method. Expenditures include amounts payable or encumbered at June 30 and paid during the lapse period. For years ended on or before June 30, 1999, the lapse period ended August 31 for regular appropriations and December 31 for capital improvement appropriations. For years ended on or after June 30, 2000, the lapse period ends August 31 for both regular and capital improvement appropriations. The authority to expend appropriations ends with the close of the lapse period. However, the General Assembly may authorize reappropriation of the unexpended balances of capital improvement appropriations for the following year. The General Assembly also may authorize biennial capital improvement appropriations, for which the unexpended balances at June 30 of the first year of the two-year period are reappropriated for expenditure during the second year.

The budgetary basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The office administers transactions in the General Revenue Fund-State. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

The office receives appropriations from this fund and does not maintain a proprietary interest in the fund. Appropriations from the fund are used for the basic operation of the office, including those programs and services that have no other funding source. These appropriations also may be used to initially fund, or to provide matching funds or support for, programs paid wholly or partially from other sources.

D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's health care, optional life insurance, deferred compensation, and cafeteria plans. The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. Also, the deferred compensation plan involves employee payroll deferrals and a monthly state matching contribution for each participating employee.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement, basic life insurance, and long-term disability benefits); social security and medicare taxes; health care premiums; and the deferred compensation plan match.

Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statements at Exhibit A.

2. Uncommitted Appropriations - Fiscal Year 2001

The amounts presented as uncommitted appropriations represent appropriations not yet spent or committed at November 15, 2000.

Note to the Supplementary Data:

3. General Fixed Assets

General fixed assets, which are recorded as expenditures when acquired, are capitalized at cost in the General Fixed Assets Account Group and are not depreciated.

## MANAGEMENT ADVISORY REPORT SECTION

## Follow-Up on Prior Audit Findings

OFFICE OF LIEUTENANT GOVERNOR  
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the Office of Lieutenant Governor on findings in the Management Advisory Report (MAR) of our prior audit report issued for the four years ended June 30, 1998.

Although unimplemented recommendations are not repeated, the office should consider implementing those recommendations.

Fixed Assets

- A. According to office personnel, an annual physical inventory of fixed assets was performed; however, no documentation of this procedure was retained.
- B. The fixed asset records did not always include complete and accurate information. The historical cost, acquisition date, model and serial number, if applicable, were not always identified.
- C. An annual schedule of additions and dispositions of fixed assets was not prepared.

Recommendation:

The Office of Lieutenant Governor:

- A. Conduct an annual physical inventory of the general fixed assets and reconcile the physical inventory to the fixed asset records. Documentation of the physical inventory should be retained to show compliance with state regulations.
- B. Ensure complete and accurate fixed asset records are maintained.
- C. Prepare an annual schedule of fixed asset additions and dispositions, and prepare a statement of changes in fixed assets annually in accordance with state regulations.

Status:

- A. Implemented.
- B. Partially implemented. Although the completeness and accuracy of the fixed asset records has improved since the prior audit, costs are still not documented for several pieces of old furniture. Although not repeated as a current MAR, our recommendation remains as stated above.
- C. Partially implemented. Annual schedules of fixed asset dispositions are maintained. Annual schedules of fixed asset additions are not maintained; however, additions are identified on the fixed asset records. An annual statement of changes in fixed assets was

prepared which included office equipment, but did not include furniture. Although not repeated as a current MAR, our recommendation remains as stated above.

## STATISTICAL SECTION

History, Organization, and  
Statistical Information



## OFFICE OF LIEUTENANT GOVERNOR HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The lieutenant governor is required to meet the same qualifications as the governor. The lieutenant governor is elected for a four-year term.

Under the constitution, the lieutenant governor serves as the ex officio president of the Missouri Senate. In addition, upon the governor's death, conviction, impeachment, resignation, absence from the state or other disabilities of the Governor, the powers, duties and emolument of the governor devolve upon the lieutenant governor until the end of the term or until the disability of the governor is removed.

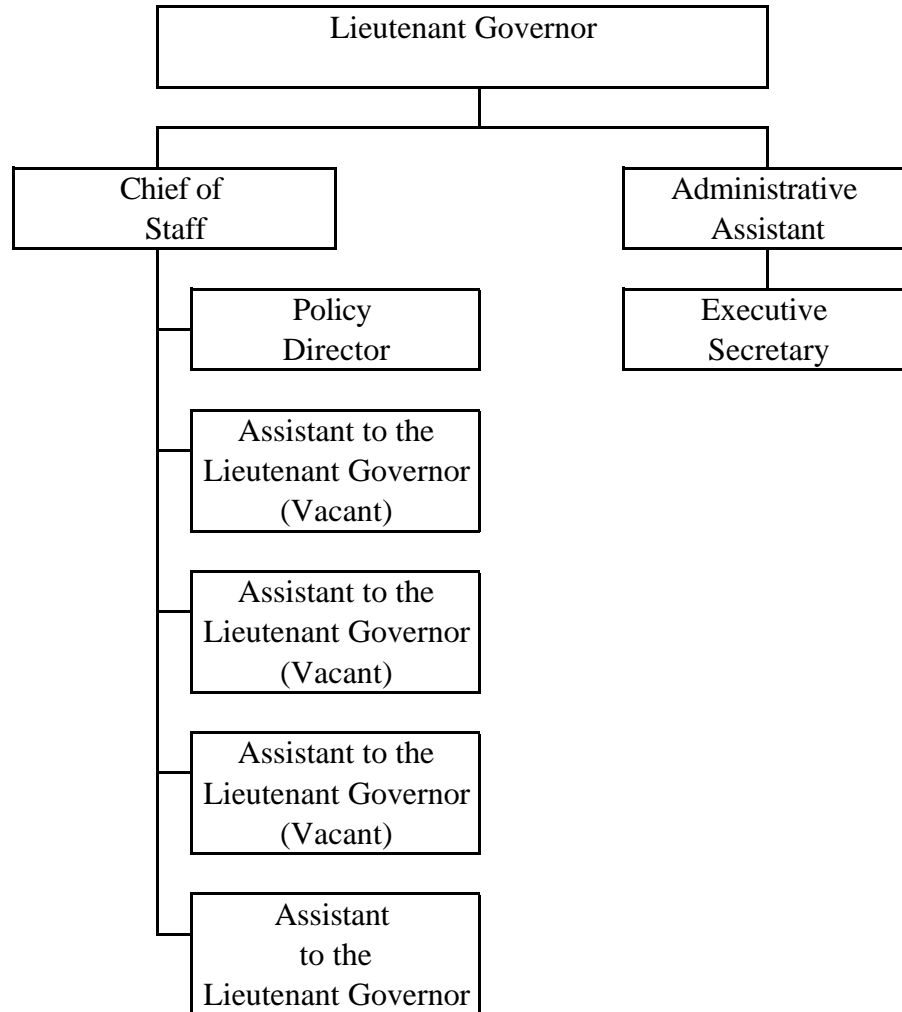
By law, the lieutenant governor serves as a member of the Board of Public Buildings, the Board of Fund Commissioners, the Missouri Development Finance Board, the Missouri Housing Development Commission, the Missouri Rural Economic Development Council, and the Missouri Tourism Commission.

The lieutenant governor chairs the Governor's Council on Efficient Operations and serves as an advisor to the Missouri Community Service Commission. He also serves as an advisor to the Department of Elementary and Secondary Education on early childhood education and the Parents-as-Teachers program. The lieutenant governor also serves as the formal governmental advocate for Missouri's senior citizens and acts in the role of the official ombudsman for all Missouri's citizens.

On January 11, 1993, Roger B. Wilson was inaugurated as the forty-fourth Lieutenant Governor of the state of Missouri. He was reelected Lieutenant Governor in November 1996, and served in this role until October 18, 2000, when he was sworn in as Missouri's fifty-second governor. His term as Lieutenant Governor was to expire January 2001. Governor Wilson appointed Joe Maxwell as Lieutenant Governor and he was sworn in on November 15, 2000.

As of November 15, 2000, the office had four full-time employees and one part-time employee. An organization chart follows.

OFFICE OF THE LIEUTENANT GOVERNOR  
ORGANIZATION CHART  
NOVEMBER 15, 2000



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